internal audit has found out gross irregularities in the working of the Global Trust Bank;

(b) if so, the details of irregularities detected during investigation by the bank;

(c) the extent of loans the Global Trust Bank had disbursed during the years from 1998 to 2004;

(d) the full details of such borrowers who owe one crore of rupees or more to the Global Trust Bank;

(e) whether the said borrowers are repaying their loans on time; and

(f) the details of steps Government have taken to recover the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. Oriental Bank of Commerce has found irregularities in the working of erstwhile Global Trust Bank during the course of internal audit. The bank has filed 17 criminal complaints with CBI involving 30 borrowal accounts with aggregate recoverable amount of Rs. 729.15 crores for in-depth investigation and to book the culprits in accordance with law.

(c) The amount of loan disbursed by erstwhile Global Trust Bank from 1998 to 2004 is Rs. 4016.41 crores.

(d) As on 31st December, 2004 there were 95 NPA accounts having an outstanding of Rs. 1 crore and above each with an aggregate outstanding of Rs. 1313.35 crores.

(e) and (f) The bank is proactively pursuing recovery in all the 95 accounts through various measures including cash recovery, compromise settlement, filing of suits in DRTs and upgradation etc.

Management of capital inflow

2215. SHRI SANTOSH BAGRODIA:
SHRI HARISH RAWAT:
SHRI R.K. ANAND:

Will the Minister of FINANCE be pleased to state:

(a) whether the RBI report on currency finance 2003-04 has recognized

that if not managed appropriately, the surge in capital inflow into India could trigger a future financial crisis; and

(b) if so, what appropriate policies are formulated to manage the inflow?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Reserve Bank of India (RBI) in its Report on Currency and Finance, 2003-04, points out that opening up of the services to international trade and remittances flows have accelerated global intergration. This has implications for the conduct of monetary policy as well as the monetary transmission mechanism. The report also observes that a more serious challenge to the conduct of monetary policy emerges from the capital account. The report mentions that like other emerging market economics (EMEs), India too has attracted large capital flows in recent years, whose effect has been augmented by surpluses in the current account. Indicating that these external sector developments have influenced conduct of monetary policy, the report points out that a multi-pronged approach has been followed in India for managing capital flows to ensure domestic economic and financial stability. The main features of this approach include; liberlization of policies relating to capital account outflows, encouraging pre-payment of external borrowings; alignment of interest rates on non-resident deposits; and greater exchange rate flexibility. The report further states that these measures have been supplemented with sterilization operations to minimize inflationary impact of capital flows and ensure financial stability.

Uniform Stamp Duty

2216. DR. T. SUBBARAMI REDDY:
SHRI MOOLCHAND MEENA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have proposed a uniform stamp duty regime of 5 per cent across all States to unearth black money and to develop a robust secondary market in real estate;

(b) whether the Prime Minister has favoured this regime and he would come up with a policy framework in the Union Budget to enable States to move to 5 per cent stamp duty;